

Eye on Southeast Europe



Transportation Infrastructure Development in Southeastern Europe

This article is part one of three on transportation infrastructure in Southeastern Europe, describes the major regional initiatives and projects. Parts two and three will expand on the needs and projects of specific countries and opportunities for U.S. companies.

In comparison with the northern tier countries of Central and Eastern Europe, transportation infrastructure throughout most of Southeastern Europe (Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Romania, and Serbia and Montenegro including Kosovo) has been underfunded, neglected, and not harmonized with European Union standards. Currently, transportation infrastructure is undergoing wide-ranging renewal and rehabilitation; but their reconstruction and maintenance projects are severely backlogged and in poor condition. For the countries of Southeastern Europe to become more integrated into the greater European community, their transportation infrastructure deficiencies must be addressed. Countries that lack strong internal transportation infrastructure are subject to regional differences in economic prosperity. Conversely, an extensive road and rail system—coupled with links to air and seaports—helps to balance out economic disparities within countries by enhancing connections between outlying rural regions and urban centers.

Background

In 2001, the European Commission recognized the need to develop more efficient transportation infrastructure in Southeastern Europe in order to improve the transportation of goods and promote economic development in the region. Since then, the European Commission and other international financial institutions such as the World Bank, the European Bank for Reconstruction and Development (EBRD), and the European Investment Bank (EIB), have been working with the region's countries to develop strategies for infrastructure development and identify priority projects for international investment. The European Union supports four transportation networks that connect ports in Southeastern Europe with the EU. These networks are Pan-European Corridors 5, 7, 8, and 10. Corridor 5 will connect through Sarajevo and Budapest the Bosnian port of Ploce and will branch off to Zagreb and connect to the Croatian port of Rijeka. Corridor 7 will connect ports on the Danube from the Black Sea to the North Sea via the ports of Costanza (Romania), and Belgrade (Serbia and Montenegro), ultimately ending in Rotterdam, in the Netherlands. Corridor 8 will connect the Albanian port of Durres to the Bulgarian

port of Varna, via Tirana (Albania), Skopje (Macedonia), and Sofia (Bulgaria). Corridor 10 will connect the Greek port of Thessaloniki to Budapest (Hungary) and Salzburg (Austria), linking Skopje, (Macedonia), and Belgrade (Serbia and Montenegro), and branching off to Zagreb (Croatia).

The TPPF Project

U.S. companies interested in pursuing commercial opportunities in the transportation and infrastructure sectors in Southeastern Europe should be familiar with several programs for Southeastern Europe. One of the most significant developments has been the Transportation Project Preparation Facility (TPPF). The TPPF, with a cost of about \$2.8 billion, comprises three programs: the Transportation Infrastructure Regional Study (TIRS), the Regional Balkans Infrastructure Study (REBIS), and the Trade and Transportation Facilitation for Southeast Europe (TTFSE).

TIRS was the first phase of a study that examined the strategies of the individual countries and their approaches to establishing a basic interregional infrastructure network. TIRS identified major regional and international routes in Southeastern Europe, created a framework for planning and coordinating infrastructure investment, and identified short-term projects for international financing.

REBIS, the second phase of the study, identified priority projects in the region and prepared feasibility studies for selected project proposals. By the end of 2003, REBIS had examined 150 transportation infrastructure projects, including highways, river ways, and railroad networks. The REBIS program links the cities of Banja Luka, Belgrade, Pristina, Podgorica, Sarajevo, Skopje, Tirana, and Zagreb, as well as links them to neighboring countries and key ports on the Adriatic by road, rail, and airway.

TTFSE has concentrated on promoting trade and transportation throughout Southeastern Europe by improving road and border-crossing infrastructure, as well as by modernizing and strengthening customs offices to reduce wait time, decrease corruption, and improve communications between customs officials in the countries of Southeastern Europe.

For U.S. companies, the three initiatives of the TPPF can provide a comprehensive look at the current state of transportation infrastructure in Southeastern Europe. For more information on transportation infrastructure, visit CEEBIC's Southeast Europe Initiative page (www.mac.doc.gov/ceebic/SEE.htm).

